

# MOODY'S

2024 Credit Risk Forum | London

## Early Alerts, Smart Action: Signals That Drive Growth

Olga Loiseau-Aslanidi

Managing Director, Regional Growth & Research – Moody's

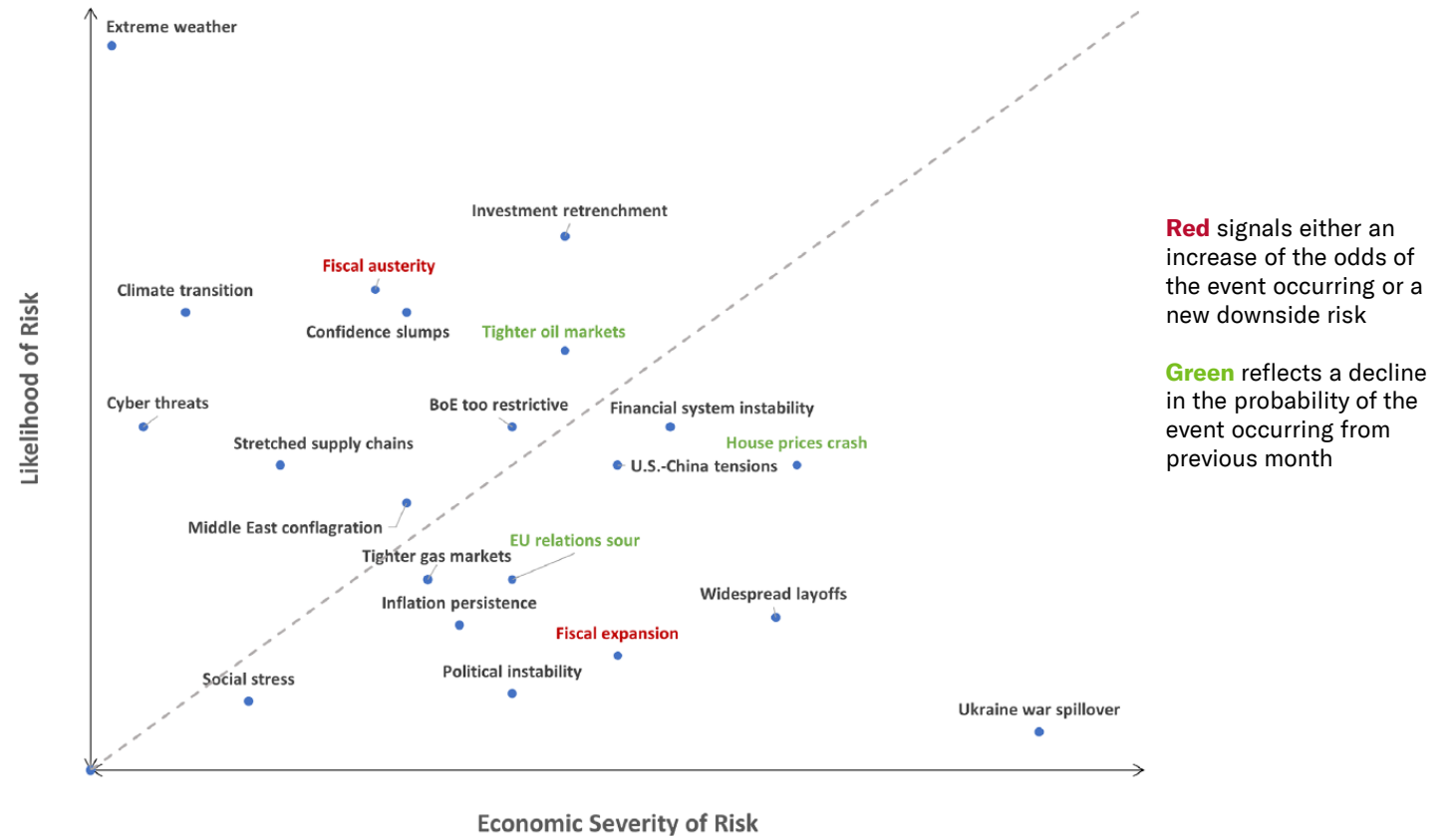


# What could go wrong?



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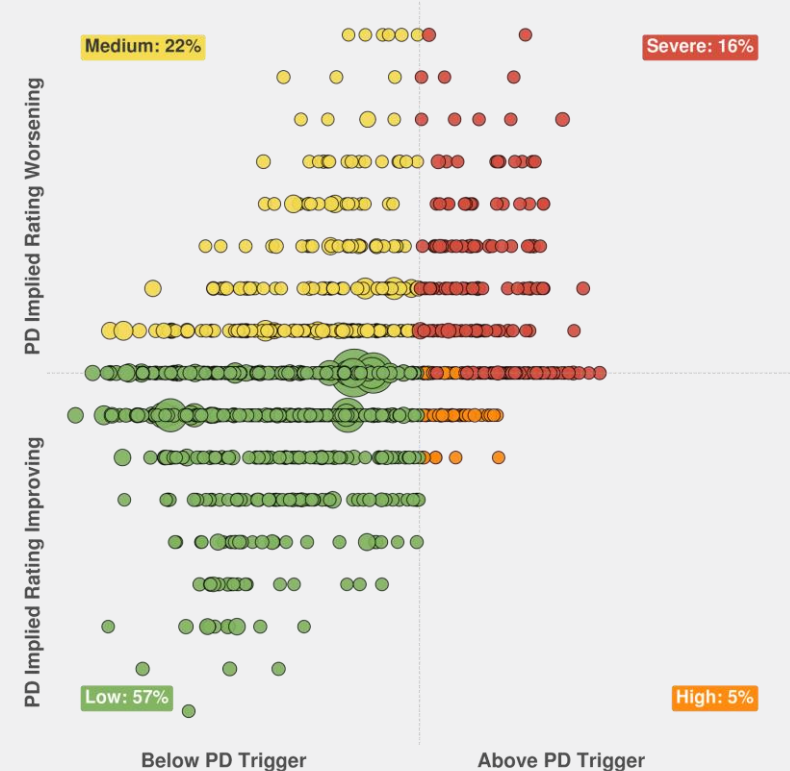
The types and potential severities of risks in the UK are evolving, along with the concerns of business development and risk managers



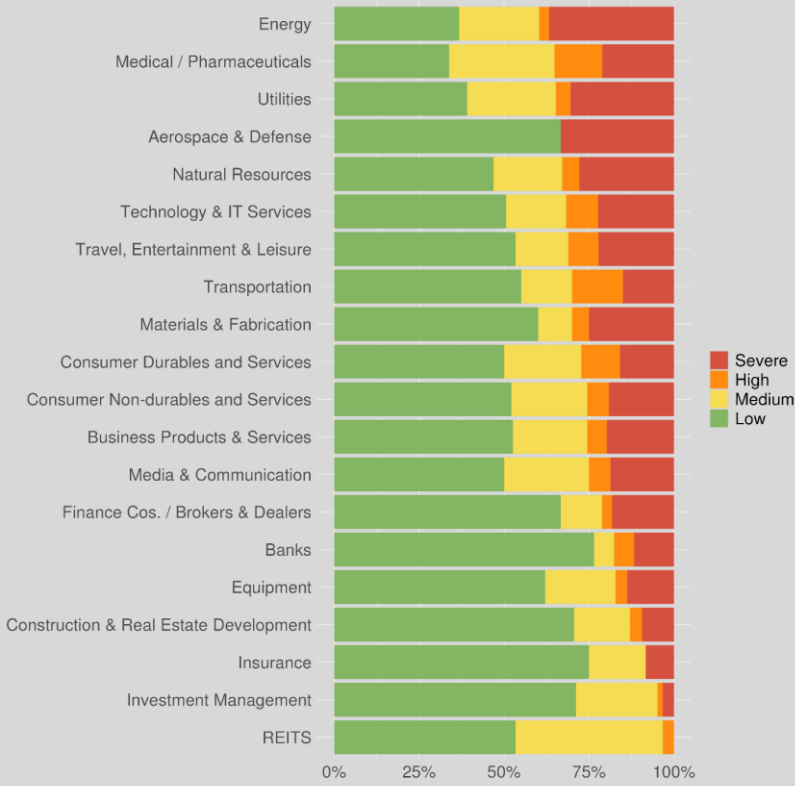
Data source: Moody's UK Outlook Risk Matrix, May 2024.

# How can we identify companies that are most at-risk?

One in five public UK companies are on the 'watchlist', larger firms are more resilient



Companies in energy sector trigger more early warning alerts



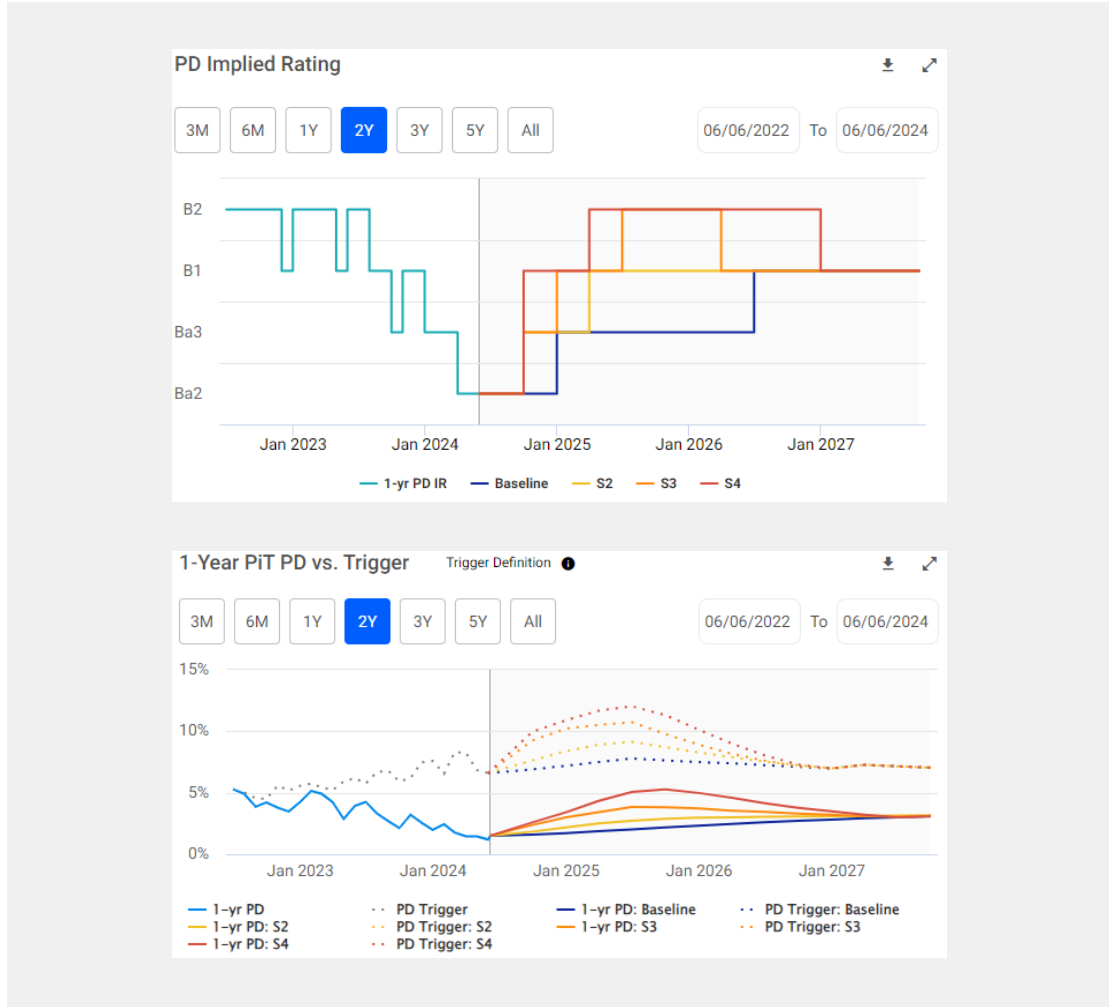
Data source: Moody's EDF-X Early Warning System, as of 21 May 2024.

# Business decisions depend on evaluating the potential effects of uncertain futures

- How would my exposures evolve under recession?
- Which ones would outperform if economic growth exceeds expectations?
- How do Network for Greening the Financial System (NGFS) hot house world scenarios affect my portfolio's risk profile?
- Which exposures should I worry about most under cyberattack scenarios on financial system?



# How would my exposures evolve under different futures?



# Identifying risks and opportunities for business and risk management

## How to uncover pockets of risk and resilience to drive growth?

- Adaptable categorization considers **various scenarios**, rather than only current conditions.
- GenAI agents uncover business context, track each firm's business drivers and alert you to **meaningful signals**.

Pocket	Current (May 2024)	Scenario-Conditional Analytics and Signals (Dec 2024)		
		Upside	Baseline	Adverse
Ultra-Resilient	Green	Green	Green	Green
Very Resilient	Green	Green	Green	Yellow
Resilient	Green	Green	Yellow	Yellow
Sensitive	Green Yellow	Green Yellow	Green Yellow	Orange Purple
Elevated Risk	Green Yellow	Green Yellow	Purple Orange	Purple Orange
Resurgent	Purple Orange	Green Yellow	Orange Purple	Orange Purple
Distressed	Purple Orange	Purple Orange	Purple Orange	Purple Orange

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Resilient	Green	Green	Yellow	Yellow
Sensitive	Green	Green	Green	Orange
Elevated Risk	Green	Green	Magenta	Magenta
	Yellow	Yellow	Orange	Orange
Resurgent	Magenta	Green	Orange	Orange
	Orange	Yellow	Magenta	Magenta
Distressed	Magenta	Magenta	Magenta	Magenta
	Orange	Orange	Orange	Orange

UK Listed Firms

45%

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Very Resilient	Green	Green	Green	Yellow
Resilient	Green	Green	Yellow	Yellow
Sensitive	Green / Yellow	Green / Yellow	Green / Yellow	Orange / Purple
Elevated Risk	Green / Yellow	Green / Yellow	Purple / Orange	Purple / Orange
Resurgent	Purple / Orange	Green / Yellow	Orange / Purple	Orange / Purple
Distressed	Purple / Orange	Purple / Orange	Purple / Orange	Purple / Orange

UK Listed Firms

22%



Q&A



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